

Message Text

LIMITED OFFICIAL USE

PAGE 01 MANAMA 01833 01 OF 02 141557Z

ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 EB-08 FRB-03

INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02 OPIC-03

SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-07

CEA-01 L-03 H-01 HA-05 /110 W

-----088710 141740Z /50

R 140808Z AUG 78

FM AMEMBASSY MANAMA

TO SECSTATE WASHDC 6522

INFO USDOC WASHDC

AMEMBASSY ABU DHABI

AMEMBASSY AMMAN

AMEMBASSY ATHENS

USINT BAGHDAD

AMEMBASSY CAIRO

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY MUSCAT

LIMITED OFFICIAL USE SECTION 1 OF 2 MANAMA 1833

ATHENS FOR RTDO

E.O. 11652: N/A

TAGS: ETRD, BA

SUBJECT: ARAB BOYCOTT: MEETING WITH BAHRAIN BOYCOTT DIRECTOR

1. SUMMARY: CHARGE AND COMMERCIAL ASSISTANT CALLED ON DIRECTOR OF BAHRAIN BOYCOTT OFFICE TO ATTEMPT TO DETERMINE BACKGROUND OF BOYCOTT PROBLEM OF US FIRM DREYCO. DISCOVERED DREYCO AND 3-4 OTHER U.S. FIRMS LIKELY TO GO ON BOYCOTT LIST SHORTLY DUE TO UNANSWERED BOYCOTT QUESTIONAIRES. ALSO FOUND THAT ALL BOYCOTT OFFICES HAVE AGREED THAT ANSWERS TO QUESTIONS OF AMERICAN FIRMS CAN NOW COME FROM A BRANCH OR ASSOCIATE ANYWHERE IN THE WORLD
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MANAMA 01833 01 OF 02 141557Z

AND THROUGH ANY OF COUNTRY BOYCOTT OFFICES. DIRECTOR SAID THAT IN LIEU OF CENTRAL MEETING ON BOYCOTT, OFFICES WERE REGULARLY CIRCULATING CASES FOR INCLUSION ON AND EXCLUSION FROM LIST TO REACH DETERMINATION BY MAIL. HE SAID THAT THIS SYSTEM WAS NOT LIKELY TO BE USED IN CONTROVERSIAL CASES SUCH AS COCA COLA, FORD, MOTOROLA AND XEROX. WHEN PRESSED ON THE QUESTION OF THE NEXT CENTRAL MEETING HE STATED ONE WAS NOW BEING ARRANGED

FOR OCTOBER IN EITHER SYRIA OR ONE OF THE GULF COUNTRIES.
END SUMMARY.

2. MR. HENRY O. HOPPER OF AMMAN, JORDAN OFFICE OF DREYCO CO. CALLED AT EMBASSY TO EXPLAIN SERIOUS PROBLEM WITH BAHRAIN BOYCOTT OFFICE. HIS AGENT IN BAHRAIN, BHATIA & CO., HAD RECEIVED LETTER FROM BAHRAIN BOYCOTT OFFICE REQUESTING STATEMENT NOTARIZED BY ANY ARAB DIPLOMATIC POST OUTLINING DREYCO'S RELATIONSHIP WITH SEARS, ROEBUCK AND WITH UNIVERSAL RUNDLE CORP. BHATIA HAD SENT THAT LETTER DIRECTLY TO DREYCO OFFICES IN NEW YORK. DREYCO ATTORNEYS HAD ADVISED THAT COMPANY COULD NOT EVEN ANSWER BHATIA LETTER AND HOPPER WISHED TO KNOW WHAT EMBASSY COULD DO TO HELP. HOPPER SAID THAT UNIVERSAL RUNDLE HAD IN FACT RECENTLY SEVERED RELATIONSHIP WITH DREYCO AND ONLY CONNECTIONS WITH SEARS WAS THAT IT IS PARENT FIRM OF UNIVERSAL RUNDLE. DREYCO WAS VERY CAREFULLY ISSUING PRESS STATEMENT OF THIS FACT IN SAME FORMAT AND TO SAME ADDRESSEES AS IN ALL FORMER CHANGES IN RELATIONSHIPS AND THIS NOTICE WOULD COME ROUTINELY TO BHATIA.

3. CHARGE ADVISED HOPPER THAT THERE WAS LITTLE THAT EMBASSY COULD DO OTHER THAN TO DEMONSTRATE TO BOYCOTT OFFICE OUR INTEREST IN CASE; TO EXPLAIN AGAIN EAA RULES AND TO APPEAL FOR UNDERSTANDING IN INTEREST OF BILATERAL TRADE WHICH BOTH COUNTRIES DESIRED. CHARGE CAREFULLY EXPLAINED THAT USG OFFICIALS WERE UNDER SAME RESTRAINTS OF LAW AS DREYCO IN CONVEYING INFO TO BOYCOTT OFFICE. CHARGE DID NOTE, HOWEVER, THAT EMBASSY UNDER-
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MANAMA 01833 01 OF 02 141557Z

STANDING OF LAW DID NOT PREVENT DREYCO FROM ANSWERING BHATIA LETTER WITH EXPLANATION OF WHY BOYCOTT QUESTION COULD NOT BE ANSWERED.

4. DISCUSSIONS WITH SAEED AL-SAEED, DIRECTOR OF BAHRAIN'S BOYCOTT OF ISREAL OFFICE ON AUGUST 13 WERE NOT HELPFUL FOR DREYCO. SAEED WOULD NOT STATE WHAT MATERIAL WAS IN DREYCO FILE BUT INDICATED THAT IT WAS NOTHING SERIOUS. CHARGE COULD NOT SAY MUCH ABOUT CASE WITHOUT CONVEYING FORBIDDEN ANSWERS AT LEAST BY IMPLICATION. SAEED IMPLIED FLEXIBILITY IN FORM OF RESPONSE BUT THAT HIS OFFICE MUST RECEIVE SOME RESPONSE OR DREYCO WOULD EVENTUALLY BE RECOMMENDED TO CENTRAL BOYCOTT OFFICE FOR INCLUSION ON BLACKLIST.

5. SAEED SAID THAT INABILITY OF U.S. FIRMS TO RESPOND TO SIMPLE BOYCOTT OFFICE QUESTIONS WAS BECOMING REAL PROBLEM. HE HAD 3 OR 4 CASES ON HIS DESK AT PRESENT FROM OTHER BOYCOTT OFFICES WHICH WOULD RESULT IN BOYCOTT OF AMERICAN FIRMS FOR FAILURE TO RESPOND. HE SAID THAT WE WOULD SOON SEE THE NAMES OF THESE FIRMS LISTED IN THE OFFICIAL GAZETTE. SAEED WAS NOT HAPPY THAT THIS WAS OCCURRING BUT INDICATED THAT HE WAS POWERLESS TO PREVENT IT. HE BELIEVED THAT BAHRAIN WAS FULLY DUSTIFIED

IN ASKING FIRMS ABOUT THEIR BUSINESS AFFAIRS BEFORE PERMITTING
THE FIRMS TO DO BUSINESS IN BAHRAIN.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 MANAMA 01833 02 OF 02 140923Z
ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 EB-08 FRB-03
INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-07
CEA-01 L-03 H-01 HA-05 /110 W
-----086421 141740Z /50

R 140808Z AUG 78
FM AMEMBASSY MANAMA
TO SECSTATE WASHDC 6523
INFO USDOC WASHDC
AMEMBASSY ABU DHABI
AMEMBASSY AMMAN
AMEMBASSY ATHENS
USINT BAGHDAD
AMEMBASSY CAIRO
AMEMBASSY DOHA
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY MUSCAT

LIMITED OFFICIAL USE SECTION 2 OF 2 MANAMA 1833

ATHENS FOR RTDO

6. CHARGE ASKED SAEED ABOUT THOSE FIRMS LIKE COCA COLA, FORD,
MOTOROLA AND XEROX WHICH HAD APPARENTLY CLARIFIED MATTERS WITH
BOYCOTT OFFICIALS PRIOR TO THE ENTRY INTO EFFECT OF THE EAA BUT
STILL WERE BOYCOTTED BECAUSE CENTRAL BOYCOTT OFFICIALS HAD NOT
MET SAEED'S EMBARRASSED RESPONSE WAS THAT A MEETING WAS LONG
OVERDUE BUT NOTHING COULD BE DONE UNTIL ONE WAS ARRANGED. HE
SAID THAT SOME DECISIONS ON INCLUSION OR EXCLUSION FROM THE
BOYCOTT WERE BEING MADE BETWEEN BOYCOTT OFFICES BY MAIL BUT ONLY
ROUTINE, NON-CONTROVERSIAL CASES. ALSO CHANGES IN PROCEDURE WERE
APPROVED BY MAIL. FOR EXAMPLE, IT HAD RECENTLY BEEN DECIDED THAT
RESPONSES TO BOYCOTT QUESTIONNAIRES SENT TO AMERICAN FIRMS WOULD
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MANAMA 01833 02 OF 02 140923Z

NOW BE ACCEPTED FROM BRANCH OR ASSOCIATE FIRMS ANYWHERE IN THE
WORLD AND THROUGH ANY OF THE BOYCOTT OFFICES. WHEN PRESSED
FURTHER ON A FUTURE MEETING, SAEED ADMITTED CONFIDENTIALLY THAT
ONE WAS NOW BEING ARRANGED, PROBABLY FOR OCTOBER. HE SAID THAT IT
WOULD TAKE PLACE EITHER IN SYRIA OR THE GULF. A LATER SLIP IN
CONVERSATION LED CHARGE TO BELIEVE THAT THE GULF MEANT QATAR.

7. FOR AMMAN: PLEASE CONVEY ESSENCE OF PARA FOUR TO DREYCO OFFICE.
POWERS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ARABS, BOYCOTTS, FOREIGN INVESTMENTS, BUSINESS FIRMS
Control Number: n/a
Copy: SINGLE
Draft Date: 14 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978MANAMA01833
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780332-0051
Format: TEL
From: MANAMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780868/aaaacepg.tel
Line Count: 182
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0af50d64-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1750341
Secure: OPEN
Status: NATIVE
Subject: ARAB BOYCOTT: MEETING WITH BAHRAIN BOYCOTT DIRECTOR
TAGS: ETRD, BA, US
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/0af50d64-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014